

# IT Initiative Supplement

April 27, 2010

## I. Project Description

**Project Title:** MMIS Fiscal Agent Contract

**Brief Description of the Project Title:** The Department contracts with ACS (Affiliated Computer Systems) to maintain and update our Medicaid Management Information System (MMIS) and run our fiscal agent operations.

**Statewide Priority:** 1

**Agency Priority:** 1

**Estimated Completion Date:** FY2015

**IT Project Biennium:** FY2010-11, FY2012-13, FY2014-15

**Request Number:**

**Version:**

**Agency Number:** 6901

**Agency Name:** Department of Public Health and Human Services

**Program Number:** 12

**Program Name:** Medicaid and Health Services

**A. Type of Project (check all that apply)**

Enhancement

Replacement

New

O&M X

**B. Type of System (check all that apply)**

Mid-Tier

Mainframe X

GIS

Web

Network

Desktop

## II. Narrative

### C. Executive Summary

#### **Project Purpose and Objectives:**

The Department currently contracts with Affiliated Computer Systems (ACS). This funding will ensure the Department continues to be able to fund the fiscal agent contract. ACS processes over 6 million claims annually, maintains enrollment for approximately 12,000 providers and reimburses these providers through the processing of claims in excess of \$800 million.

#### **Technical Implementation Approach:**

The contract with ACS was effective September 2006 and is in place through June 2011. The State has the option to extend the base contract for three additional years, in one year increment amendments.

#### **Project Schedule and Milestones:**

1. Start date: July 2006
2. Estimated end date: June 2013

### D. Business and IT Problems Addressed

This requests funding to maintain the fiscal agent operations contract.

### E. Alternative(s)

#### **Alternatives Considered:**

1. What alternatives were evaluated?  
None
2. What are the estimated costs of the various alternatives over a 5 year period?  
Not applicable
3. Why was the preferred alternative selected over the other alternatives?  
Not applicable

#### **Rationale for Selection of Particular Alternative:**

1. How does the project support your agency business and agency IT plan?

Not applicable

2. Is the project listed in the agency IT plan and entered into the MBARS IT Project Module?

No

3. If the project directly supports the state IT strategic plan provide details.

No

## **F. Narrative Detail**

# **III. Costs**

## **G. Estimated Cost of Project:**

Estimated Cost of Project	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	Total
1. Personal Services - IT Staff							0
2. Personal Services - Non IT Staff							0
3. Contracted Services	7,332,912	6,722,145	7,965,860	8,098,451	8,233,695	8,371,643	46,724,706
4. ITSD Services							0
5. Hardware							0
6. Software							0
7. Telecommunications							0
8. Maintenance							0
9. Project Management							0
10. IV & V							0
11. Contingency							0
12. Training							0
13. Other							0
Total Estimated Costs	7,332,912	6,722,145	7,965,860	8,098,451	8,233,695	8,371,643	46,724,706

## **Total Funding:**

## IV. Funding

### H. Funding

#### Total Funding

Fund	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	Total
1. 01100	1,833,228	1,680,536	1,991,465	2,024,613	2,058,424	2,092,911	11,681,177
2. 03305	5,499,684	5,041,609	5,974,395	6,073,838	6,175,271	6,278,732	35,043,530
3.							0
4.							0
5.							0
6.							0
Total Estimated Costs	7,332,912	6,722,145	7,965,860	8,098,451	8,233,695	8,371,643	46,724,706

**Cash/Bonded:**

**Bill Number:**

## V. Cost upon Completion

### 1. Operating Costs upon Completion

This is an ongoing effort and does not have a completion date.

**FTE:**

**Personal Services Costs:**

**Operating Costs:**

**Maintenance Expenses:**

**Total Estimated Costs:**

### 2. Funding Recap

This is an ongoing effort and does not have a completion date.

**Fund Type:**

**Amount:**

**Total Funding:**

## V. Risk Assessment

### **A. Current IT Infrastructure Risks**

1. Current application 10+ years old? Yes  
Date of last major upgrade?  
  
The system was previously updated in 1997 and certified by CMS in 1998.
2. Current application is based on old technology? Yes  
If yes, what is the current hardware platform, operating system, and programming languages used to support the application?
3. Is the agency not capable of maintaining the current application with internal technical staff? Yes  
If yes, who supports the application today?  
  
Affiliated Computer Services (ACS)
4. Other IT infrastructure risks? \_\_\_\_\_  
If yes, provide further detail.

### **B. Current Business Risks**

1. What are the risks to the state if the project is not adopted?  
  
The Department neither operates or maintains the current system. Additionally the vendor hosts the system. The Department is not able or capable of assuming the responsibilities covered by this contract. The key risk, if this project is not adopted, is that the Medicaid system will stop operating.
2. Does the current application meet current business requirements? Yes  
  
If “no”, what specific business functions does the application lack?

### **C. Project Risk Assessment**

1. Describe any major obstacles to successful implementation and discuss how those obstacles will be mitigated.

The existing vendor, Affiliated Computer Services (ACS), has been providing fiscal agent operation services for over two decades. There is a very low risk for this engagement once funding supports the continuation of the incumbent vendor that is currently under contract to provide these services through June 2013.

**Table H      Risk Assessment**

Description	Severity (H/M/L)	Probability of Occurrence (%)	Estimated Cost	Mitigation Strategy